



Washington, D.C. 20505

~~SECRET~~
Alleg/HPSC/SSC

28 January 1988

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The Honorable Louis Stokes
Chairman
Permanent Select Committee on Intelligence
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Forwarded herewith is the annual report on the administration of the CIA Retirement and Disability System (CIARDS) for Fiscal Year 87. This report on the administration of CIARDS was prepared by [redacted] as was last year's report. We believe that having [redacted] again prepare the report is advantageous in terms of the continuity and expertise which he is able to bring to this undertaking.

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I am pleased that [redacted] once more concludes that the Agency is continuing to administer CIARDS in conformity with the law, the regulations, and the intent of Congress.

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Sincerely,

William H. Webster
Director of Central Intelligence

Enclosure:

Annual Review of Designation of Participants
under Section 203 of the CIA Retirement Act,
by [redacted] December 1987.

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~~SECRET~~

The Honorable Louis Stokes

Distribution:

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- 1 - ER
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OP/RD/RBS, (12Dec87)

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S E C R E T

TO:

D/OCA

ROOM NO.
7B-24

BUILDING
HQS

REMARKS:

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FROM: DDA/OP/RD/RBS

ROOM NO.
901

BUILDING
Ames

EXTENSION

FORM NO. 241
1 FEB 68

REPLACES FORM 36-8
WHICH MAY BE USED

(47)

S E C R E T

JAN 4 1988

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Executive Director
Deputy Director for Administration
Director of Congressional Affairs

FROM: Hugh E. Price
Director of Personnel

SUBJECT: Review of the Administration of CIARDS [redacted]

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1. Action Requested: That you transmit the annual report on the administration of the CIA Retirement and Disability System (CIARDS) to the House Permanent Select Committee on Intelligence. [redacted]

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2. Background: Since 1978 the Agency has, pursuant to the requirement by the House Permanent Select Committee on Intelligence, submitted an annual report on the administration of CIARDS. The report for 1986 was prepared by [redacted] and we were fortunate to have him again review our administration of CIARDS for the past year and prepare the report which is sent to the Committee in January. [redacted]

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3. Staff Position: In his letter of transmittal to you, [redacted] concludes that "the Agency administered the Central Intelligence Agency Retirement and Disability System in a manner wholly consistent with the intent of Congress." [redacted]

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4. Recommendation: That you sign the attached letter transmitting the annual report to the Chairman of the House Permanent Select Committee on Intelligence. [redacted]

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/s/ Hugh E. Price

Hugh E. Price
Director of Personnel

Attachments:

- A. Transmittal letter to Chairman, House Permanent Select Committee, House of Representatives
- B. Annual Review of Designation of Participants under Section 203 of the CIA Retirement Act

DCI
EXEC
REG

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S E C R E T


SUBJECT: Review of the Administration of CIARDS (U)

CONCUR:


Director of Congressional Affairs


5 Jan 88
Date

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Deputy Director for Administration


6 Jan 88
Date

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Executive Director /

18 Jan 88
Date

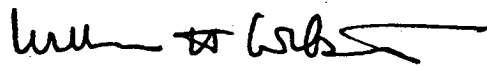
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Deputy Director of Central Intelligence

12 Jan 88
Date

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APPROVED:


Director of Central Intelligence

29 Jan 88
Date

OP/RD/RBS  (12 Dec 1987)

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Distribution:

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SECRET

14 December 1987

The Honorable William H. Webster
Director of Central Intelligence
Washington, D.C. 20505

Dear Mr. Webster:

The Central Intelligence Agency Retirement Act of 1964 for Certain Employees authorized the Director of Central Intelligence to establish and maintain a special retirement system for a limited number of employees. Both the Congress and the Agency contemplated that the new retirement system would apply to about thirty percent of Agency employees.

In 1976 the House Armed Services Committee directed the Agency to make annual studies and to submit reports on its administration of the special retirement system, with particular reference to the manner in which the Agency has exercised its discretion to designate employees for participation. This is the twelfth in the series of studies and reports, which are now submitted annually to the House Permanent Select Committee on Intelligence.

During the fiscal year 1987 the Director of Personnel, assisted by the Central Intelligence Agency Retirement Board, has continued to apply strict criteria in the exercise of discretion to determine what service is qualifying for participation in the CIA Retirement and Disability System (CIARDS). After extensive review, this writer has found no deviations from the law, the regulations, or established Agency policy.

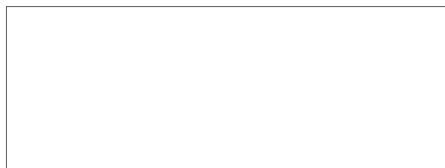
Participation of Agency employees in CIARDS has dropped from almost 35% in 1974 to about 16.6% in 1987. Employees retiring under CIARDS are about six years younger than Agency employees retiring under the Civil Service Retirement System. A total employees have retired under CIARDS since the system was established in 1964.

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CIARDS continues to be a valuable tool of personnel management, helping to keep the intelligence service young by facilitating early retirement.

It is my opinion that during Fiscal Year 1987 the Agency administered the Central Intelligence Agency Retirement and Disability System in a manner wholly consistent with the intent of Congress.

Sincerely yours,



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